



July 2, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF REGULATIONS (FORMERLY ENTITLED "BYLAWS")
OF LACERA'S BOARD OF RETIREMENT
(ALL DISTRICTS) (3 VOTES)**

SUBJECT:

Recommendation to approve Regulations of the Board of Retirement of the Los Angeles County Employees Retirement Association (LACERA).

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the attached Regulations (formerly entitled "Bylaws")
of LACERA's Board of Retirement

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The County Employees Retirement Law (CERL) authorizes LACERA's Board of Retirement to adopt "regulations not inconsistent with [CERL]," and provides that the regulations become effective when approved by the Board of Supervisors. LACERA's Board of Retirement adopted such regulations in a document entitled "Bylaws of the Board of Retirement."

LACERA has amended the Bylaws to change the title of the document to "Regulations" in keeping with the language in CERL. The attached Regulations are a restatement of the previously adopted Bylaws, redlined to reflect amendments adopted by LACERA's Board of Retirement on June 6, 2013. Exhibit A to this letter summarizes the June 6, 2013 amendments.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

42 July 2, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of the attached Regulations will allow LACERA's Board of Retirement to continue to prudently manage the retirement system for the benefit of the County and its employees.

The attached Regulations include new provisions necessary to implement the recently passed California Public Employees' Pension Reform Act of 2013 (PEPRA).

FISCAL IMPACT/FINANCING

The implementation of PEPRA results in lower pension costs for the County. New employees will be enrolled in retirement tiers with lower benefit formulas, higher employee contribution rates, and restrictions on the types of pay that can be counted in calculating the pension benefit.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Government Code Section 31525 provides that LACERA's regulations (previously contained in the Board of Retirement's Bylaws) become effective when approved by the Board of Supervisors.

On November 4, 1992, the voters passed Proposition 162, which amended the California Constitution to provide, among other things, that governing boards of public retirement systems have "plenary authority and fiduciary responsibility for investment of moneys and administration of the system..." LACERA interpreted this language to mean that future "regulations" adopted by LACERA did not require Board of Supervisors approval to become effective. There have been several amendments to the Bylaws after the passage of Proposition 162 that did not receive Board of Supervisors approval.

Litigation over the interpretation of Proposition 162 has resulted in court decisions that clarified the amount of independence retirement boards enjoy under the concept of "plenary authority." For example, in Westly v. CalPERS (2003) 10 Cal.App.4th 1095, the Court of Appeal rejected CalPERS' argument that plenary authority under the Constitution authorized CalPERS to ignore state law regarding staff compensation and civil service requirements. To eliminate any uncertainty over the scope of LACERA's authority to adopt regulations without Board of Supervisors' approval, LACERA respectfully requests that the Board of Supervisors approve the attached Regulations in their entirety.

Honorable Board of Supervisors
July 2, 2013
Page Three

Exhibit B, Summary of Post-Proposition 162 Bylaws Amendments Adopted Without Board of Supervisors Approval, summarizes the amendments to the Bylaws that were adopted subsequent to the passage of Proposition 162 that did not receive the approval of your Board.

IMPACT ON CURRENT SERVICES

None.

CONCLUSION

Approval of the attached Regulations will permit LACERA to implement PEPRA and allow LACERA's Board of Retirement to continue to prudently manage the retirement system for the benefit of the County and its employees.

Respectfully submitted,



GREGG RADEMACHER
Chief Executive Officer

Attachments:

Regulations (formerly "Bylaws") of the Board of Retirement, Reflecting Amendments Adopted on June 6, 2013

Exhibit A, Summary of Bylaws Amendments Adopted by LACERA's Board of Retirement on June 6, 2013

Exhibit B, Summary of Post-Proposition 162 Bylaws Amendments Adopted Without Board of Supervisors Approval

REGULATIONS
(formerly BYLAWS)

BYLAWS
REGULATIONS

BOARD OF RETIREMENT

Adopted Pursuant to Government Code
Section 31525

I. ADMINISTRATION

1. Election of Chair

At the first regular meeting in January, the Board of Retirement shall elect one of its members chair for a term of one year or until his or her successor is duly elected and qualified.

2. Election of Vice Chair

At the first regular meeting in January, the Board of Retirement shall elect one of its members vice chair for a term of one year or until his or her successor is duly elected and qualified.

3. Election of Secretary

At the first regular meeting in January, the Board of Retirement shall elect one of its members secretary for a term of one year or until his or her successor is duly elected and qualified.

4. Election of Audit Committee Member

At the first regular meeting in January, the Board of Retirement shall elect one of its members to serve on the Audit Committee of the Boards of Retirement and Investments for a term of one year or until his or her successor is duly elected.

5. Filling of Vacancy in Office

In the event of a vacancy in the office of chair, vice chair or secretary, the Board of Retirement shall, at its next regular meeting, elect one of its members to fill such vacancy for the remainder of the term.

6. Board Member's Responsibility

A Board member shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to his or her duties as local agency officer or employee or with the duties, functions or responsibilities

of the Board. Such member shall not perform any work, service, or counsel for compensation outside of his or her Board responsibilities where any part of his or her efforts will be subject to approval by any other member or members of the Board.

7. Alternate Retired Member

Pursuant to Government Code Section 31520.5, the Board of Retirement shall include an alternate retired member whose duties shall include:

- (a) Participation in Board Meetings
The alternate retired member shall vote as a member of the Board of Retirement only in the absence of the regular retired member. However, the alternate retired member may sit with the Board during the meeting and may participate in deliberations and make motions.
- (b) Participation in Committee Meetings
The alternate retired member is eligible to serve as a member of Board committees to the same extent as other Board members.
- (c) Copies of Agenda Material
The alternate retired member shall be entitled to receive all agenda materials.
- (d) Training and Travel
The alternate retired member shall be entitled to all training available to Board members.
- (e) Board Office
The alternate retired member is eligible to serve as an officer of the Board.
- (f) Compensation
The alternate retired member shall be entitled to the same compensation as the regular retired member including compensation for attending a meeting at which the regular member is present.

II. MEETINGS

1. Regular Meetings

Regular meetings of the Board of Retirement shall be held on the first Wednesday and the Thursday following the second Wednesday in each month at 9:00 a.m. The regular meeting may be rescheduled for an earlier or later time or day by majority vote of the members present at a regular meeting of the Board of Retirement. The Chief Executive Officer shall give notice of a rescheduled regular meeting by delivering personally or by mail written notice to each member of the Board and to each local newspaper of general circulation, radio or television station that has requested notice of special meetings. The notice shall be given as soon as practical, and in sufficient time so as to be received at least 24 hours before the time of the rescheduled meeting.

2. Special Meetings

Special meetings of the Board of Retirement may be called in the manner provided by Section 54956 of the Government Code.

3. Rules of Order

(a) Except as otherwise provided herein, the rules contained in the current edition of "Robert's Rules of Order Newly Revised" shall govern the Board of Retirement in its proceedings.

(1) The Chair shall have the same rights to vote and participate in discussions as any other member of the Board without relinquishing the Chair.

(2) The Chair shall be disqualified to preside over any Board proceedings related to allegations of misconduct by the Chair. In such matters, the gavel shall be passed to the Vice-Chair or other officer designated to preside pursuant to Robert's Rules of Order.

(3) In the event of a tie vote on a disability retirement application, the decision of the Board will be suspended until the next meeting at which the Board considers disability retirement applications. If a tie vote still results, the disability application will be deemed denied.

(4) In the event there is held a joint meeting of the full board and a committee of the Board, the Board shall take no action at such joint meeting and the only action that the committee may take is approval of a recommendation to take further action at a subsequent meeting of the Board. The agenda of any such joint meeting shall include the following note:

Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.

(b) The order of business shall be determined by formal action of the Board of Retirement.

4. Quorum

Five members of the Board of Retirement constitute a quorum. A quorum of the Board shall not be required for the Board to meet jointly with a committee of the Board provided the requirements of Section 3(a)(4) of this Article II are satisfied.

5. Censure Motions; Super-Majority Vote

A motion to censure a member of the Board shall be treated by the chair as a motion to refer the matter to an ad hoc committee for an investigation and report back to the Board. Adoption of the motion to refer and any subsequent motion to censure or otherwise discipline a member of the Board requires an affirmative vote of two-thirds of the members present at the meeting, or if less than two-thirds of the members of the Board are present, unanimous vote of those present. The member charged with misconduct shall not be entitled to vote on such motions and shall not be counted for purposes of calculating the two-thirds or unanimous vote requirement.

6. Agenda Items

Members of the Board of Retirement or administrative staff to the Board requesting to place items on the agenda of the Board must do so by contacting the staff secretary to the Board in writing no later than noon of the fifth working day prior to any regularly scheduled or special meeting of the Board and specify the nature of the item to be placed on the agenda. Notwithstanding the foregoing, the Chief Executive Officer may with the chair's approval accept items for the agenda if he or she can do so without violating the agenda and notice requirements of the Ralph M. Brown Act.

7. Communications and Requests

(a) Agendas shall be posted and made available to the public in accordance with the Ralph M. Brown Act (Government Code Sections 54950 et seq.). Public documents referred to in the agenda are available for review at the office of the staff secretary to the Board.

(b) Persons desiring to address the Board shall make their intention known ~~prior to the beginning of the meeting~~ by filling out a "Request to Address the Board" form which may be obtained from the staff secretary to the Board.

(c) No person shall address the Board until he or she has first been recognized by the chair. Each person, except for staff, addressing the Board shall state his or her name and purpose for addressing the Board. The chair may, in the interest of facilitating the business of the Board, limit the amount of time an individual may use in addressing the Board.

~~(d) — It is the policy of the Board to take initial action on disability retirement applications without permitting the applicant or the applicant's attorney to address the Board. In those cases where the Board's initial action is to deny, the applicant or the applicant's attorney has the opportunity to address the referee during the administrative appeal, and to subsequently address the Board in connection with any objections to the referee's recommended decision that may be filed. [Transferred to Policies and Procedures]~~

~~(e) — Pursuant to Government Code Section 31534, the Board may request that further action be taken upon receiving proposed findings of fact and recommendations of a referee. Should the Board request a transcript of the hearing before the referee it may thereafter require the applicant and/or his or her attorney and Attorney for the~~

~~Board to appear before it to respond to its concerns. [Transferred to Policies and Procedures]~~

~~(f) Discussion of disability retirement applications is held in executive session to protect the privacy interests of the applicants. Counsel for the applicant and the Board are permitted to address the Board when objections have been filed to the referee's recommended decision. Time limitations applicable to oral argument of counsel, as set forth in Rule 29 of the Disability Retirement Hearing Procedures, shall not apply to the time required for counsel to directly respond to questions asked by members of the Board. [Transferred to Policies and Procedures]~~

~~(g)~~ (d) Notwithstanding any other provision of these Bylaws, members of the public shall have the right to address the Board on items which are within the subject matter jurisdiction of the Board. Not more than six persons, excluding staff and scheduled presentations, may address the Board on any one agenda or non-agenda item at any meeting, unless a motion to permit additional persons to address the Board is duly adopted by majority vote of the Board. Except as otherwise permitted by the Ralph M. Brown Act (Government Code Sections 54950 et seq.), no deliberation or action may be taken by the Board concerning a non-agenda item, except that members of the Board may (1) briefly respond to statements made or questions posed by persons addressing the Board, (2) ask a question for clarification, or (3) provide a reference to staff for factual information. Further, the Board may take action to direct staff to place a matter of business on a future agenda.

8. Minutes

~~The staff secretary shall cause to be recorded in the minutes the time and place of each meeting of the Board of Retirement, the names of members present, all official acts of the Board, and when requested a member's vote with or without explanation, and shall cause the minutes to be written up forthwith and presented for approval at the next regular meeting. The minutes or a true copy thereof, submitted by the staff secretary and signed by the secretary and the chair, shall form part of the permanent records of the Board of Retirement. [Transferred to Policies and Procedures]~~

9. 8. Committees

(a) The chair shall appoint committees as deemed necessary to carry out the business of the Board. The Ralph M. Brown Act is not applicable to advisory committees composed solely of members of the Board of Retirement which are less than a quorum of the Board, except that standing committees of the Board, irrespective of their composition, which have a continuing subject matter jurisdiction, or a meeting schedule fixed by formal action of the Board, shall be governed by the Brown Act.

(b) Members of the Board or administrative staff may place items of business for discussion on the agenda by contacting the secretary of the committee in writing no later than noon of the fifth working day prior to any regularly scheduled committee meeting.

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(c) The committee chair may cancel a scheduled committee meeting when it is determined there are no items of business for the agenda, or a quorum of the committee will not be present. In the event a member of the committee is absent from a committee meeting, the chair shall designate the alternate member of the committee to sit as a voting member of the committee for the duration of the meeting or until such time as the designated member is present. ~~In the event there are additional absences, the chair may designate another member of the Board to sit as a voting committee member for the duration of the meeting or until the appointed member is present.~~

~~10.9.~~ Removal From Boardroom

(a) The chair shall order removed from the Board Room any person who commits one or more of the following acts:

(1) Disorderly, contemptuous or insolent behavior toward the Board, staff or any member thereof, tending to interrupt the due and orderly course of the meeting.

(2) A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of the meeting.

(3) Any other unlawful interference with the due and orderly course of the meeting.

(b) Removal of a person from the Board Room shall be executed by the Sergeant-at-Arms upon being so directed by the chair. Any person so removed shall be excluded from further attendance at the meeting from which he or she was removed, unless permission to attend is granted upon motion adopted by a majority vote of the Board.

III. MEMBERSHIP

1. Eligibility

(a) On or before January 3, 1982: Each person entering the employ of the County, Districts, or Courts on a permanent basis on or before January 3, 1982 shall become a member on the first day of the calendar month after his or her entrance into service.

(b) January 4, 1982 – December 31, 1990: Each person entering the employ of the County, Districts, or Courts on a permanent basis on or after January 4, 1982 and prior to January 1, 1991, shall become a member on the first day of the calendar month following his or her election of a retirement plan available to employees on or after January 4, 1982.

~~(c) Each person entering the employ of the County, Districts, or Courts on a permanent basis on or after January 1, 1991, and prior to January 1, 1992, or first becoming eligible for membership on or after January 1, 1991, and before January 1, 1992 shall become a member on the first day of the calendar month following his or her election of a retirement plan available to employees on or after January 4, 1982. The~~

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~~election shall be made by filing a Sworn Statement and Election of Retirement Plan and shall be certified to the Board:~~

~~(1) Within 30 days of employment if written disclosure materials are provided by the employer within 14 days of employment, or~~

~~(2) Within 30 days of the receipt of written disclosure materials provided by the employer if the employer fails to provide written disclosure materials within 14 days of employment.~~

~~Any person who dies prior to certifying his or her election or who fails to certify his or her election within the period set forth above shall, as of the date of death or the day immediately following the last day to certify his or her election, be deemed to have elected to be covered by Plan E.~~

~~(c)(d) January 1, 1991 4, 1982 – November 30, 2012 – Safety Membership: Each person eligible for safety membership entering the employ of the County, Districts, or Courts on a permanent basis on or after January 4, 1982, or first becoming eligible for safety membership on or after January 1, 1992 4, 1982, shall become a member of Safety Plan B the first day of the calendar month after his or her entrance into service.~~

~~This Section (d) (1)(c) shall be inoperative on and after December 1, 2012.~~

~~(d)(e) January 1, 1991 – December 31, 1991 – General Membership: Each person eligible for general membership entering the employ of the County, Districts, or Courts on a permanent basis on or after January 1, 1991, and prior to January 1, 1992, or first becoming eligible for general membership on or after January 1, 1991, and before January 1, 1992 shall become a member on the first day of the calendar month following his or her election of a retirement plan available to general members on or after January 4, 1982. The election shall be made by filing a Sworn Statement and Election of Retirement Plan and shall be certified to the Board:~~

~~(1) Within 30 days of employment if written disclosure materials are provided by the employer within 14 days of employment, or~~

~~(2) Within 30 days of the receipt of written disclosure materials provided by the employer if the employer fails to provide written disclosure materials within 14 days of employment.~~

~~Any person eligible for general membership who dies prior to certifying his or her election or who fails to certify his or her election within the period set forth above shall, as of the date of death or the day immediately following the last day to certify his or her election, be deemed to have elected to be covered by Plan E.~~

~~(e) January 1, 1992 – November 26, 2012 – General Membership: (1) Each person eligible for general membership entering the employ of the County, Districts, or Courts on a permanent basis on or after January 1, 1992, or first becoming eligible for~~

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membership on or after January 1, 1992, and who has not made an election of a retirement plan available to employees on or after January 4, 1982, shall become a member of Plan E the first day of the calendar month after his or her entrance into the service. Any member who dies prior to certifying his or her election shall be deemed to have elected to be covered by Plan E.

(2) Any person who has been enrolled in Plan E pursuant to paragraph (d)(1) may elect to be covered by the contributory plan available to new employees, provided such election is made:

(i) Within 60 days of employment, or eligibility for membership, or

(ii) Within 45 days of the receipt of written disclosure materials from the employer, whichever is later.

(3) The election of a contributory plan pursuant to paragraph 2 shall be made by filing a Sworn Statement and Election of Retirement Plan and shall be certified to the Board. Any person who makes the election shall be deemed to be a member of the contributory plan as of the first day of the calendar month following his or her entrance into the service and the County Auditor-Controller shall make appropriate deductions from the member's future salary warrants to cover the member's contributions applicable to the period that the member was deemed to be included in the plan.

(4) This section ~~1(d)~~ 1(e) shall be inoperative on and after November 27, 2012.

(f) November 27, 2012 – November 30, 2012: (1) Each person entering the employ of the county, Districts, or Courts on a permanent basis during the period November 27-30, 2012, shall become a member of a contributory plan the first day of the calendar month after his or her entrance into the service.

(2) This section shall become inoperative on and after November 30, 2012.

(g) December 1, 2012: Each person entering the employ of the county, Districts, or Courts on a permanent basis on or after December 1, 2012 shall become a member of a contributory plan in accordance with the provisions of the California Public Employees' Pension Reform Act of 2013, Government Code Section 7522 et seq.

(eh) Excluded employees are: Temporary, Seasonal, Intermittent, and Part-Time employees, except as otherwise provided in Sections 2, 3(b) and 4(b) of this Article. For the purpose of these Bylaws:

(1) TEMPORARY EMPLOYEES shall be construed as being:

(i) Those appointed from Civil Service lists for temporary service only.

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(ii) Any employee ~~who is paid on a monthly basis and~~ whose position is exempt from Civil Service provisions, until reported to the Civil Service Commission or to the County Auditor-Controller as a permanent employee by the Head of the Department, or appointing body, or Commission.

(iii) Any employee who is paid on a per diem or hourly basis and whose position is under an item not designated "as needed," until reported to the Civil Service Commission or the County Auditor-Controller as a permanent employee by the Head of the Department, or appointing body, or Commission.

(2) SEASONAL SERVICE shall mean service for the County or District at certain specified periods in each calendar year or every second calendar year.

(3) INTERMITTENT SERVICE shall mean service for the County or District which is periodic in nature.

(4) PART-TIME SERVICE shall mean service for the County or District which requires for the performance of duties less than 75 percent of the full standard of hours required in County or District service.

2. Optional Membership

(a) Any Temporary, Seasonal, Intermittent, or Part-Time employee who works 180 days or more, or the equivalent thereof, in a calendar year, including vacation or sick leave for which he or she receives compensation, and excluding Saturdays, Sundays, and holidays whether paid for or not, may elect to become a member of the Los Angeles County Employees Retirement Association by filing a written notice of his or her election with the Board of Retirement on or before March 31 of the next succeeding calendar year, and will thereafter be known as an optional member.

(b) Irrespective of his or her duties, such an employee may not elect to become and he or she shall not become a safety member. Such an employee shall become a general member on the first day of the calendar month next succeeding the month during which he or she files his or her election, and shall remain a member thereafter providing the period between his or her employments does not exceed one calendar year.

(c) This section shall be inoperative on and after December 31, 1978.

(d) Notwithstanding any other provision in these Bylaws, all employees of the County of Los Angeles who are classified as Beach Lifeguard I, Recurrent and who have worked 180 or more days in calendar year 1978, shall be entitled to optional membership provided that they elect such optional membership by September 30, 1979.

3. Withdrawal From Active Membership

(a) Contributory Member

(1) Any contributory member of the Retirement Association who, by resignation or transfer, changes from a position in which membership in the Retirement Association is compulsory to a position in which membership in the Retirement Association is not

compulsory, may file within 60 days from such resignation or transfer a written election with the Board to discontinue his or her active membership. Such written election shall include an application to:

- (i) Discontinue making retirement contributions, and
- (ii) If eligible to do so, take deferred retirement.

Member contributions cannot be withdrawn and must remain on deposit whether or not the member is eligible for deferred retirement until the member retires or until County or District service is terminated.

(2) If within such 60-day period the member does not file an election specified in subdivision (a)(1), the member shall continue as an active contributing member of the Retirement Association, except that if he or she was a safety member he or she shall become a general member. Such membership shall continue until the member's County or District service is terminated, and the member will earn retirement service credit on a pro rata basis, proportionate to the time required to perform the same duties in a full-time position, provided that the member is in active service and makes the required retirement contributions.

(b) Non-Contributory Member

(1) A Plan E member of the Retirement Association who by resignation or transfer, changes from a position in which membership in the Retirement Association is compulsory to a position in which membership in the Retirement Association is not compulsory, may file within 60 days from such resignation or transfer a written election with the Board to discontinue his or her active membership.

(2) If within such 60-day period the member does not file an election specified in subdivision (b)(1), the member shall continue as an active member of the Retirement Association. Such membership shall continue until the member's County or District service is terminated, and the member will earn retirement service credit on a pro rata basis, proportionate to the time required to perform the same duties in a full-time position, provided that the member is in active service.

4. Return to Membership

(a) Any member of the Retirement Association who has elected to take deferred retirement and who, by reinstatement, rehire or transfer, is appointed to a position in which membership in the Retirement Association is compulsory, shall immediately return to active membership in the Retirement Association, with a contribution rate based on the member's entry-age retirement plan in effect at the time of the member's most recent election to take a deferred retirement.

(b) Any member of the Retirement Association who has elected to take deferred retirement and who, by reinstatement, rehire or transfer, is appointed to a position in which membership in the Retirement Association is not compulsory, may file, at any time, a written election to terminate such deferred retirement and return to active membership with a contribution rate based on the member's entry-age retirement plan in effect at the time of the member's most recent election to take a deferred retirement.

Such written election shall specify whether the member also elects to receive credit for any County service not previously credited up to the date of the election. Contributions for such creditable service may be made at any time prior to the effective date of retirement and shall be calculated upon actual earnings, not including overtime, plus the interest which would have been credited to the member's account had contributions been made on the earnings.

IV. CONTRIBUTIONS

1. Basis for Contributions

(a) ~~Normal Rate of Contributions for Per Diem or Hourly Employees Who Are - Members of General Plans A Through D, or Safety Plans A and B:~~ The normal rates of contributions of ~~members of General Plans A through D, or Safety Plans A and B who occupy permanent positions, or are employed on a per diem or hourly basis, members who are members of General Plans A through E or Safety Plans A and B, and who occupy permanent positions,~~ shall be based upon age at time of entrance into the Retirement Association, and ~~monthly~~ contributions shall be calculated upon the basis of ~~21 working days for each month of credit, earnings per pay period.~~

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(b) ~~Normal Rate of Contributions for Per Diem or Hourly Employees Who Are - Members of General Plan G or Safety Plan C:~~ The normal rate of contributions of ~~members of General Plan G or Safety Plan C who occupy permanent positions, or are employed on a per diem or hourly basis shall be based upon the single rate in effect at the time of entrance into the Retirement Association, and contributions shall be calculated upon the basis of earnings per pay period,~~

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(c) ~~Normal Rate of Contributions for Optional Members:~~ The normal rates of contributions of optional members ~~who first entered the Retirement Association in General Plans A through D~~ shall be based upon age at time of entrance into the Retirement Association, and monthly contributions shall be calculated upon actual earnings, not including overtime, and their accounts shall be analyzed at time of retirement ~~based upon certification of service by the Civil Service Commission,~~ and any contributions missing then shall be collected or any excess contributions accumulating during service then shall be refunded. ~~Optional membership is not available to safety members and members of General Plan G,~~

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2. Acceptance of Plan-to-Plan Transfers and Rollovers

(a) To the extent authorized by both federal and state law, LACERA shall accept plan-to-plan fund transfers and accept rollover funds from qualified plans ~~to satisfy the lump-sum payment of contributions.~~

(b) If a member becomes entitled to receive a distribution that constitutes an eligible rollover distribution under both federal and state law, the member may elect to have the distribution or a portion thereof paid directly to LACERA.

3. Redeposit of Contributions Withdrawn

An active or deferred member may redeposit, in the retirement fund, at any time prior to retirement, an amount equal to all of the accumulated normal contributions he or she has withdrawn, plus regular interest thereon from the date of separation from the Retirement Association. Such redeposit may be made by lump-sum payment or by payroll deductions over a period of not to exceed 120 months, but in no event shall the payroll deduction for this purpose be less than \$50.00 per month, and payment shall be completed within 120 days after the effective retirement date. When payment is complete, the member shall receive credit for the same number of months of service as was represented by the withdrawal.

4. ~~Compensation Earnable~~ Calculation of Contributions and Benefits

~~The compensation~~Compensation Earnable or Pensionable Compensation, upon which appropriate member contribution rates are applied or ~~upon which~~ retirement benefits are computed, shall include any portion of a member's Social Security contribution, or retirement contribution ~~which that~~ has been paid by the County or District, and any amount deducted pursuant to a salary reduction agreement.

V. PRIOR SERVICE

1. Definition of Prior Service

(a) Pursuant to Sections 31641(a), 31643 and 31644 of the Government Code, "prior service" means employment of a person by a County, District, Municipal Court, or Superior Court prior to January 1, 1938, whether such employment is interrupted or not. Credit for prior service shall be calculated as defined in Article VI of these Bylaws.

(b) Prior service shall also include service performed for any public agency located wholly in the County of Los Angeles prior to a member's first entry into membership for which the member is not eligible now or in the future to receive a pension or retirement allowance from such public agency. Any member who elects to receive credit as prior service for such service shall contribute to the retirement system an amount equal to what the contributions would have been had the member been employed by the County of Los Angeles receiving the compensation paid a carpenter during the period of time for which such service was performed times the rate of contribution assigned the member upon his or her initial entrance into membership. This paragraph shall be inoperative with respect to any member who enters the retirement system on or after January 1, 1976.

(c) Prior service shall also include service performed for the United States of America, the State of California, or any department or agency of either, or any public entity located within the State of California. Such service must have been performed prior to a member's first entry into membership, and the member must not be eligible now or in the future to receive a pension or retirement allowance for such service in any other retirement system.

(d) Any member,

(i) in Plan A, B, C, ~~or~~ D, or G and,

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(ii) who is not otherwise eligible to receive credit for public service under the resolutions adopted by the Board of Supervisors on January 2, 1968 and November 21, 1972 and,

(iii) who is not otherwise eligible to receive credit for prior service in accordance with subsections (a) or (b), and

(iv) who elects to receive credit for prior service as defined in subsection (c)

shall enter into an agreement with the Retirement Association. Such agreement shall provide that in order to receive credit for the prior service in question, the member shall contribute to the retirement system an amount which is equal to the present value of the additional liability incurred by the system in crediting the prior service, based upon the actuarial assumptions in effect for the retirement system at the time the agreement is entered into or amended. The agreement shall provide that the additional retirement contributions required to fund the prior service credit shall be paid by the member, and may at the member's option be a specific dollar payment or a percent of salary obligation. If the member elects to make the required additional retirement contributions by a specific dollar payment, the member may do so by agreeing either to make a lump-sum payment or to make installment payments (which shall include interest at the assumed rate) through payroll deduction over a period not to exceed 120 months, but in no event shall the payroll deduction for this purpose be less than \$50.00 per month. If the member elects to enter into a percent of salary obligation, the member shall agree to make additional retirement contributions as a percent of salary through payroll deductions over a period extending from the effective date of the agreement to the date of retirement. As a condition of receiving credit for such prior service, the member shall complete all contributions required hereunder within 120 days after the effective date of retirement.

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(e) In no event may a member receive credit for a total period of prior service which exceeds the length of the member's actual County service at the conclusion of the agreement. Where the County Employees Retirement Law of 1937 (Government Code Sections 31450, et seq.) or the Public Employees' Pension Reform Act of 2013 (Government Code Sections 7522, et seq.) prescribes minimum service requirements with regard to retirement for service or disability, deferred retirement, or the death benefit, the member shall render actual County service sufficient to meet such minimum requirements, and may not receive credit for prior service, except as defined in subsection (a), toward meeting such minimum requirements.

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(f) The agreement between the member and the Retirement Association shall specify the age at which the member intends to retire, and all actuarial assumptions, calculations of contributions, and the period over which payment shall be made, shall be based upon that age. In the event that the member elects to retire at an earlier age than the age specified in the agreement, the member may, at his or her election, either receive credit for that portion of the prior service which has been purchased by the contributions already made and forego credit for the remainder of the prior service, or make an additional lump-sum payment sufficient to complete the total payment

necessary to receive credit for the entire period of prior service covered by the agreement. In the event the member elects to retire at a later age than the age specified in the agreement, contributions shall cease at the age specified in the agreement and no further adjustments shall be made in service credit or the cost of such credit.

2. Credit for Prior Service

Credit for prior service shall not include that period of time between the date of employment which establishes eligibility for membership and the date of membership. This paragraph does not constitute a change in, but is declaratory of the existing intent and administration of this Article by the Board of Retirement.

VI. CALCULATION OF CREDIT

The purchase of public service and/or prior service time shall be permitted ~~on the basis of full-time months~~. Full-time for hourly and per diem members means 21 working days per credited month of credit and for monthly members 30 days per credited month of credit, but not more than 12 months of credit shall be allowed for all service in any one period of 12 consecutive months. Members shall be deemed to have rendered service sufficient to receive credit for a full month when the total period of time allowed for purchase, divided into months, results in a remaining fractional month of 11 or more work days for hourly and per diem members and 16 or more days for monthly members.

~~VII. CONFLICT OF INTEREST REGULATIONS~~

~~Categories 1, 2 and 3 of the County of Los Angeles' "Conflict of Interest and Disclosure Code" are applicable to members of the Board of Retirement. The County "Conflict of Interest and Disclosure Code" is incorporated herein by this reference. [Transferred to Policies and Procedures]~~

~~VIII~~ VII. APPLICATION FOR DISABILITY RETIREMENT

1. Application Form

An application for service-connected or nonservice-connected disability retirement shall be filed on the Application for Disability Retirement form prescribed by the Board.

2. Effective Date of Disability Retirement Allowance

(a) The effective date of a disability retirement allowance shall be established pursuant to Government Code Section 31724.

(b) The applicant may apply to have the disability retirement allowance become effective earlier than the date the application is filed upon a showing the application was delayed due to administrative oversight or by the inability to determine the permanency of the disability until after the date following the last day for which the applicant received regular compensation, by completing the applicable section of the Application for Disability Retirement form. The failure of the applicant to apply for an earlier effective date at the time the application is filed shall constitute a waiver of the right to apply for an earlier effective date.

(c) Notwithstanding subsection (b) of this Section 2, the application may be amended, without cause, to seek an earlier effective date, provided the amended application is filed prior to the date the applicant is referred to a Board-appointed physician for a medical examination. Thereafter, an amended application shall not be permitted unless so ordered by the Board upon a showing of good cause.

3. Denial Without Prejudice

Upon review of the Application for Disability Retirement, the Board may initially determine that the application is denied without prejudice. A denial without prejudice permits the Board to reconsider a case upon the submittal of additional information to support the application. An applicant whose application is denied without prejudice may:

(a) Amend the current application by submitting additional information to support the application within six (6) months after notice of the Board's action, or thereafter

(b) File a new application within the time prescribed by Government Code Section 31722, which provides:

"The application shall be made while the member is in service, within four months after his or her discontinuance of service, within four months after the expiration of any period during which a presumption is extended beyond his or her discontinuance of service or while from the date of discontinuance of service to the time of the application he or she is continuously physically or mentally incapacitated to perform his or her duties." In the event of a new application, the Board shall not be bound by its earlier decision. In the event the applicant has appealed the Board's initial denial, such appeal shall be automatically stayed pending reconsideration of the amended or new application.

XVIII. REQUEST FOR HEARING

Whenever the Board denies an application for service-connected or nonservice-connected disability retirement without a hearing, or whenever the Board denies an application for a service-connected survivor's allowance, the applicant shall, upon request, be entitled to a hearing before the Board, or before a referee appointed by the Board pursuant to Government Code Section 31533. Any such request for hearing shall be in writing, and shall be made within 30 days after notice of the Board's action denying the application is mailed by certified or registered mail to the applicant. An application is

deemed made on the date mailed if mailed by certified or registered mail, on the date postmarked if mailed by first class mail and received, or on the date received by the Retirement Association, whichever is earlier.

~~X- IX.~~ JUDICIAL REVIEW

In any matter in which the party or applicant is entitled to judicial review of any action taken by the Board of Retirement, the petition to the court must be filed within 90 days from the date the notice of the Board's decision is delivered to the party or applicant, or served by certified or registered mail upon the party or applicant or the party's or applicant's attorney.

X. ELECTRONIC SIGNATURES

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The Board of Retirement may use and accept a document requiring a signature that is submitted by a member using an electronic signature, if the document and electronic signature are submitted using technology the Board deems sufficient, as set forth in regulations adopted by the Board, to ensure its integrity, security, and authenticity. A document submitted pursuant to the Board-adopted regulations shall be given the same force as a signed, valid original document.

~~XI- XI.~~ AMENDMENTS

The ~~Bylaws~~ Regulations of the Board of Retirement may be amended at any duly convened meeting by an affirmative vote of six members of the Board.

Adopted, Board of Retirement: June 6, 2013

Approved, Board of Supervisors: _____

Legal/Bylaws, BOR/06 06 13 Final

EXHIBIT A

EXHIBIT A

SUMMARY OF BYLAWS AMENDMENTS ADOPTED BY LACERA'S BOARD OF RETIREMENT ON JUNE 6, 2013

1. Enactment of PEPPRA

The enactment of the Public Employees' Pension Reform Act of 2013 (PEPPRA) resulted in new benefit tiers applicable to "new members," as defined in Government Code Section 7522.04. Implementation of the new tiers required several amendments to Article III (Membership) and Article IV (Contributions).

2. Use and Acceptance of Electronic Signatures

Government Code Section 31527 was amended by the Legislature, effective January 1, 2013, to allow retirement boards to include in the board's regulations provisions allowing for the use and acceptance of electronic signatures submitted with the use of technology the Retirement Board deems sufficient to ensure integrity, security, and authenticity. The Board has adopted procedures to satisfy the foregoing requirements.

The addition of Article X (Electronic Signatures) to the Regulations fully implements the legislation authorizing the use and acceptance of electronic signatures.

3. Compliance with the Open Meetings Laws in the Ralph M. Brown Act

A. Appointment of Alternate Committee Members: Article II of the Regulations covers meetings of the Board. Section 8 specifies procedures for the appointment of committee members. A provision allowing the chair of a committee to appoint an alternate member to temporarily sit on the committee in the event a regular member is absent has been deleted out of a concern it is not in keeping with the Brown Act.

B. Time to file a "Request to Address the Board" Form: Section 7(b) of Article II requires a member of the public who wishes to address the Board to file a "Request to Address the Board" form. The Board's practice is to allow members of the public to file the request form at any time. A requirement to file the form prior to the beginning of the meeting has been deleted.

4. Transfer of Administrative and Disability Procedures to a Policies and Procedures Manual

The following administrative provisions and disability procedures formerly contained in the Bylaws were deleted and transferred to LACERA's Policies and Procedures Manual:

- Art. II, Sec. 7(d) – Procedure for addressing the Board in disability matters
- Art. II, Sec. 7(e) – Further actions after a referee's report in disability matters
- Art. II, Sec. 7(f) - Executive sessions and oral argument in disability matters
- Art. II, Sec. 8 – Minutes of Board meetings
- Art. VII – Conflict of Interest Regulations

EXHIBIT B

EXHIBIT B

SUMMARY OF POST-PROPOSITION 162 BYLAWS AMENDMENTS ADOPTED WITHOUT BOARD OF SUPERVISORS APPROVAL

1. 11/03/94

Amends Art. II, Section 6(b) [*now Section 7(b)*] to requires persons wishing to address the Board on disability matters to file a "Request to Address the Board" form prior to the beginning of the meeting.

Adds Section 6(d) to Art. II, as follows:

It is the policy of the Board to take initial action on disability retirement applications without permitting the applicant or the applicant's attorney to address the Board. In those cases where the Board's initial action is to deny, the applicant or the applicant's attorney has the opportunity to address the referee during the administrative appeal, and to subsequently address the Board in connection with any objections to the referee's recommended decision that may be filed.

Note: On 06/06/13 this provision was deleted and transferred to the Policies and Procedures Manual.

Adds Section 6(f) to Art. II, as follows:

Discussion of disability retirement applications is held in executive session to protect the privacy interests of the applicants. Counsel for the Applicant and the Board are permitted to address the Board when objections have been filed to the referee's recommended decision. Time limitations applicable to oral argument of counsel, as set forth in Rule 28 of the Disability Retirement Hearing Procedures, shall not apply to the time required for counsel to directly respond to questions asked by members of the Board.

Note: On 06/06/13 this provision was deleted and transferred to the Policies and Procedures Manual.

Amends Section 6(g) [*now Section 7(g)*] of Art. II, to add the following:

Except as otherwise permitted by the Ralph M. Brown Act (Government Code Sections 54950 et seq.) no deliberation or action may be taken by the Board

concerning a non-agenda item, except that members of the Board may (1) briefly respond to statements made or questions posed by persons addressing the Board, (2) ask a question for clarification, or (3) provide a reference to staff for factual information. Further, the Board may take action to direct staff to place a matter of business on a future agenda.

Adds Section 9 to Art. II to require the chair to remove persons from the Board Room for disorderly or other conduct.

2. 04/03/96

Adds Art. VIII [*now Art. VII*] to provide for the filing of disability retirement applications and the effective date of a disability retirement allowance.

3. 11/06/96

Amends Section 8 [*now Section 9*] of Art. II to provide that Board committees composed solely of members of the Board, and that have continuing subject matter jurisdiction and a fixed meeting schedule, are subject to the Ralph M. Brown Act.

4. 11/06/96

Amends Section 3 of Art. III relating to withdrawal from membership.

5. 03/05/97

Amends Section 8 of Art. II, related to committees of the Board.

Incorporates miscellaneous, non-substantive, clean-up changes in various sections.

6. 08/06/97

Amends Section 4 [*now Section 5*] of Art. I to specify a procedure for filling a vacancy in one of the officer positions on the Board

7. 04/01/98

Amends Section 2 [*now Section 3*] of Art. IV to require redeposit of withdrawn contributions to be completed within 120 days after the date of retirement.

Amends Section 1 of Art. V to require the deposit of additional contributions to acquire credit for prior service to be completed within 120 days after the date of retirement.

8. 03/03/99

Adds Section 3 to Art. VIII [now Art. VII] to specify an applicant's rights following denial of a disability retirement.

9. 01/02/02

Adds Section 2 to Art. IV to allow LACERA to accept plan-to-plan transfers and rollovers from tax-qualified retirement plans.

10. 12/04/02

Amends Section 1 of Art. II to provide for a second monthly meeting of the Board of Retirement.

11. 04/10/03

Amends Section 3 of Art. II, with respect to Robert's Rules of Order, to provide (i) that the Chair of the Board of Retirement has the same rights to vote and participate in discussions as any other Board Member, and (ii) in the event of a tie vote on a disability retirement application, the case will be carried over to the next meeting. If there is a tie vote at the second meeting, the application will be deemed denied.

12. 12/11/03

Adds Section 4 to Art. I to provide for the election of a Retirement Board member to sit on LACERA's Audit Committee.

13. 12/09/04

Amends Section 3 of Art. II to provide that the Chair of the Board is disqualified to preside over any Board proceeding related to allegations of misconduct by the Chair.

Adds Section 5 to Art. II to provide that a motion to censure a member of the Board shall be treated as a motion to refer the matter to an ad hoc committee for investigation and report back to the Board. Requires a super-majority vote to refer to committee and to impose discipline.

14. 01/13/05

Adds Section 7 to Art. I to include an Alternate Retired Member on the Board of Retirement.

15. 05/03/06

Amends Section 7 of Art. I to define the Alternate Retired Member's rights and level of participation on the Board of Retirement.

16. 02/15/07

Amends Section 7 of Art. I to allow the Alternate Retired Member to serve on committees of the Board of Retirement.

17. 02/15/07

Amends Section 9 of Art. II to allow the Chair of a Board committee to designate a Board member to sit on the committee temporarily in order to satisfy the requirement of a committee.

Note: This provision was repealed on June 6, 2013.